

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

SHELDON G. ADELSON,

Plaintiff,

v.

MOSHE HANANEL,

Defendant.

Docket No.: 04CV-1035RCL

AFFIDAVIT OF WILLIAM P. WEIDNER

William P. Weidner, upon his oath deposes and says:

1. I have been the President and Chief Operating Officer of Las Vegas Sands, Corporation (LVS), and its predecessor entities, which include the Venetian Casino Resort, LLC. ("The Venetian") since 1995. LVS owns and operates the Venetian Casino Resort in Las Vegas and controls the development of certain resorts and casinos in Macao. Prior to joining LVS I had been an executive in the hotel and casino business for thirty years. At all relevant times I was personally and directly involved in The Venetian's attempts to secure a license or concession to operate casinos in Macao, and make this affidavit on my personal knowledge.

2. As a result of my work in the gaming industry I was certainly aware of the status of casinos in Macao while it was still a Portuguese colony and quite familiar with the operations of Stanley Ho, who enjoyed a forty odd year monopoly on gaming in Macao. I knew that Mr. Ho operated under an exclusive license that was due to expire in 2001. Throughout the 1990's, prior to Portugal's exit and China retaking Macao, there was a good deal of talk and speculation

within the industry that China would end Mr. Ho's monopoly when his license expired and allow competition as a way of reinvigorating the island's economy.

3. In December of 1999 Macau reverted from Portuguese control and became a "Special Administrative Region ("SAR") of the Peoples Republic of China. Mr. Edmund Ho became Macao's Chief Executive. It was widely discussed in the industry that Mr. E. Ho wanted to expand gaming to operators other than S. Ho; however, at that time LVS undertook no actions concerning this possibility as there was nothing concrete upon which to act. I was certainly aware of the possibilities and kept myself informed about the gaming situation in Macao.

4. On August 30, 2001 Macao established a Tender Commission to be responsible for the process of conducting a public tender for the awarding of three gaming licenses/concessions.

5. On October 16, 2001 the Venetian submitted an expression of interest to the Tender Commission. Included with the letter is a description of our initial concept for the project. It was developed by Venetian employees under my direction without reference to any business plan or other proposal from any third party in Israel and certainly not from Moshe Hananel. Neither he nor any document he allegedly prepared or provided was ever seen, much less considered, by the employees and executives working on this project.

6. After that submission the Tender Commission announced that bidders would have to meet certain minimum financial criteria. At that time the Venetian did not have the ability to meet those conditions. As a result, it entered into an arrangement with the China Development Industrial Bank (CDIB) for a partnership under the name Asian American Entertainment Corporation, Limited ("AAEC") for purposes of participating in the Tender, and,

if successful, owning and developing properties. Neither the Venetian nor Las Vegas Sands were bidders; however, the AAEC is among the contestants.

7. The AAEC's bid was rejected by the Tender Commission and attempts by the Venetian to form partnerships or joint ventures with other entities were unsuccessful.

8. Three companies were announced as winners of the Tender. Only one, Wynn Resorts, was American based and the other two were Macao companies, one controlled by Stanley Ho and the other, Galaxy Casino ("Galaxy"). The Venetian did not receive an operating concession/license.

9. The Venetian attempted to enter into a partnership with Galaxy, but was unable to reach agreement.


10. Ultimately, the Venetian was able to obtain a "sub-concession" from Galaxy, as described in exhibit ,hereto.

11. Although the subconcession gives the Venetian the right to own and operate casinos in Macao, it does not give the Venetian the valuable right to grant further sub-concessions. Currently the MGM Mirage is building a hotel casino in Macao under a subconcession it obtained from the Ho controlled company. There are reports in the press that Wynn is selling a subconcession to Harrah's, another Las Vegas competitor of the Venetian. Had the Venetian obtained a concession it could have had the opportunity to sell subconcessions, or even refuse to sell them and make it more difficult for competitors to enter the island.

12. As a result of the above, it is factually inaccurate for anyone to say they aided in the Venetian's success in obtaining a license, because no such license was obtained. At the end of the process the Venetian found itself in circumstances similar to that of MGM Mirage, which

lost the competition, or perhaps Harrah's or any other company that never entered the competition. That is, they can only operate in Macao by striking a deal with one of the three concession holders. The Venetian made a deal with Galaxy and Moshe Hananel certainly had nothing to do with that transaction.

Signed on my oath under the penalties of perjury this 21st day of December 2005.


WILLIAM P. WEIDNER